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Milk Cow Numbers Continue To Decline

The Dairy Situation, Economic Research Service, USDA, March, 1967

On January 1, 15.2 million cows and heifers 2 years old and older were being kept for milk on U.S. farms. This was 4.9 percent or 786,000 head fewer than a year earlier, compared with the previous year's decline of 5.9 percent and

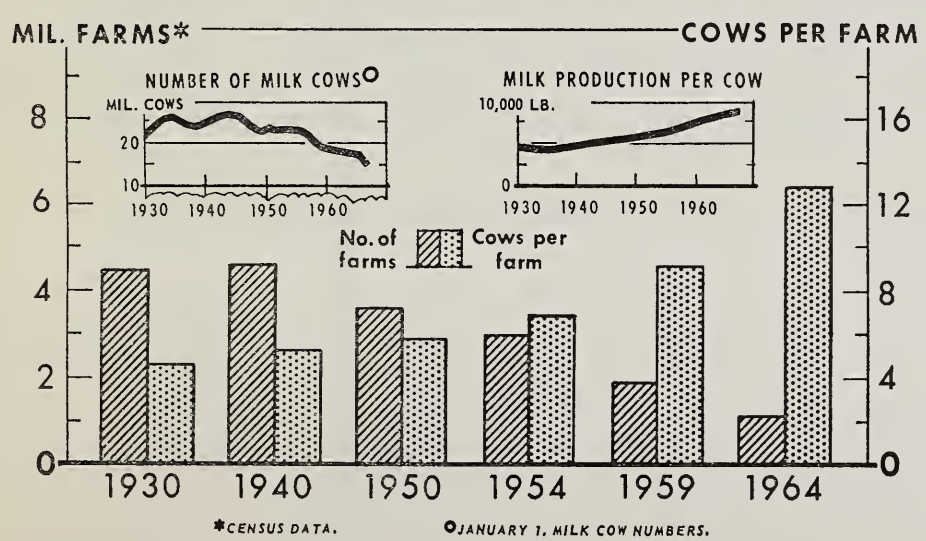
994,000 head. The 1966 rate of decline lessened when milk prices rose during the year, improving the attractiveness of dairy returns compared with those of other farm and non-farm enterprises. During 1967, the decline in dairy cow numbers is ex-

pected to be greater than the long time average (21½ percent) but probably not as large as the 4.9 percent in 1966.

The number of heifers 1 to 2 years old fell 6 percent from a year earlier to 3.6 million, while heifer calf numbers dropped 2 percent to 4.1 million. The ratio of 1 to 2 year old heifers to milk cows was down for the third consecutive year. However, the ratio of dairy calves to milk cows rose, suggesting that the decline in cow numbers may slow again in 1968. During 1966, 4.6 million cows and heifers were eliminated from herds, as the culling rate declined to 29.1 per 100 cows from 30.3 in 1965. The relatively low numbers of 1 to 2 year old heifers available for replacement next year indicates that the culling rate may drop again in 1967.

Milk cows and heifers 2 years old and older accounted for 14 percent of all cattle on January 1 this year, compared with 15 percent a year earlier and 24 percent in 1950. Beef cows outnumbered milk cows by more than 2 to 1 on January 1, 1967; in 1950 milk cows outnumbered beef cows nearly 3 to 2. The ratio of milk cow numbers, to beef cows continued to fall in all regions. In the North

CHANGES IN FARMS WITH MILK COWS



U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 4837-67 (2) ECONOMIC RESEARCH SERVICE

The number of farms with milk cows dropped to 1.1 million in 1964 — an annual average decline of 7.4 percent from 1959. But average number of cows per farm increased to 13 in 1964 — up 40 percent from 1959.

According to the Census, about 60 percent of the farms with milk cows sold milk or cream in 1964; others produced milk only for home use. The number of farms selling milk or cream has continued downward since 1964 and by the close of 1966, amounted to about half a million.

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Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

| | March 1967 | February 1967 | March 1966 |
|--|---------------|------------------|---------------|
| Producers' Uniform Price (3.5%) | \$5.31 | \$5.44 | \$4.72 |
| Class I (3.5%) | 5.68 | 5.89 | 5.03 |
| Class II (3.5%) | 3.91 | 3.91 | 3.40 |
| Producer Butterfat Differential for each one-tenth percent | 9.2¢ | 9.4¢ | 8.3¢ |

UTILIZATION SUMMARY

| | March 1967 | February 1967 | March 1966 |
|---|---------------|------------------|---------------|
| Percent of Producer Milk in Class I | 82.4 | 81.4 | 82.6 |
| Percent of Producer Butterfat in Class I | 74.3 | 72.9 | 76.5 |
| Percent of Producer Milk in Class II | 17.6 | 18.6 | 17.4 |
| Percent of Producer Butterfat in Class II | 25.7 | 27.1 | 23.5 |

PRODUCER MILK RECEIPTS

| | March 1967 | February 1967 | March 1966 |
|--|---------------|------------------|---------------|
| Total Pounds Producer Milk Delivered | 44,996,524 | 42,469,579 | 46,633,917 |
| Average Daily Class I Producer Milk | 1,451,501 | 1,516,771 | 1,504,320 |
| Total Number of Producers | 1,551 | 1,549 | 1,583 |
| Average Daily Receipts per Producer | 936 | 979 | 950 |
| Average Butterfat Test | 3.85 | 3.87 | 3.78 |
| Total Value of Producer Milk at Test | \$2,534,837. | \$2,463,206 | 2,307,144 |
| Income per Producer (7 Day Average) | \$369. | \$397 | \$329 |

GROSS CLASS USE (Pounds)

| | March 1967 | February 1967 | March 1966 |
|--------------------------|---------------|------------------|---------------|
| Class I Skim | 35,788,085 | 33,369,820 | 37,169,795 |
| Class I Butterfat | 1,288,398 | 1,198,995 | 1,347,742 |
| Class I Milk | 37,076,483 | 34,568,815 | 38,517,537 |
| Class II Skim | 7,474,012 | 7,454,229 | 7,703,438 |
| Class II Butterfat | 446,034 | 446,535 | 412,942 |
| Class II Milk | 7,920,046 | 7,900,764 | 8,116,380 |

AVERAGE DAILY SALES (Quarts)

| | March 1967 | February 1967 | March 1966 |
|------------------|---------------|------------------|---------------|
| Milk | 418,866 | 433,211 | 458,143 |
| Buttermilk | 5,749 | 5,635 | 6,397 |
| Chocolate | 28,945 | 31,587 | 33,464 |
| Skim | 12,051 | 6,938 | 13,880 |
| Cream | 6,719 | 12,612 | 8,900 |

COMPARATIVE STATISTICS



COLUMBUS MARKETING AREA



MAR., 1958 - '67

| Year | Receipts From Producers | Average Butter-fat Test | Percentage of Producer Milk in Each Class | | | | Uniform Producer Price (3.5%) | Class Prices at 3.5% | | | | Number of Producers | Daily Average Production |
|------------|-------------------------|-------------------------|---|----------|-----------|----------|-------------------------------|----------------------|----------|-----------|----------|---------------------|--------------------------|
| | | | Class I | Class II | Class III | Class IV | | Class I | Class II | Class III | Class IV | | |
| 1958 | 25,204,863 | 3.78 | 80.9 | 10.1 | 3.9 | 5.1 | 4.34 | 4.493 | 4.093 | 3.993 | 3.070 | 1,833 | 472 |
| 1959 | 24,683,556 | 3.81 | 85.2 | 10.2 | 1.2 | 3.4 | 4.28 | 4.394 | 3.994 | 3.894 | 2.871 | 1,687 | 413 |
| 1960 | 28,724,747 | 3.98 | 82.5 | 8.6 | 2.2 | 6.7 | 4.24 | 4.419 | 4.019 | 3.697 | 2.981 | 1,704 | 544 |
| 1961 | 31,091,341 | 3.77 | 76.2 | 8.4 | 1.9 | 13.5 | 4.20 | 4.44 | 4.04 | 3.804 | 3.090 | 1,459 | 687 |
| 1962 | 34,362,548 | 3.89 | 77.2 | 8.8 | 3.0 | 11.0 | 4.20 | 4.40 | 4.011 | 3.849 | 3.249 | 1,328 | 835 |
| 1963 | 38,328,637 | 3.88 | 78.6 | 8.4 | 3.5 | 9.5 | 3.95 | 4.11 | 3.702 | 3.663 | 3.063 | 1,383 | 894 |
| 1964 | 42,279,621 | 3.81 | 72.2 | 7.7 | 2.4 | 17.7 | 4.01 | 4.27 | 3.835 | 3.675 | 3.078 | 1,347 | 1,012 |
| 1965 | 47,417,628 | 3.84 | 79.3 | 20.7 | — | — | 4.25 | 4.57 | 3.130 | — | — | 1,667 | 918 |
| 1966 | 46,633,917 | 3.78 | 82.6 | 17.4 | — | — | 4.72 | 5.03 | 3.40 | — | — | 1,583 | 950 |
| 1967 | 44,996,524 | 3.85 | 82.4 | 17.6 | — | — | 5.31 | 5.68 | 3.91 | — | — | 1,551 | 936 |

Milk Production Summary for 1966

The Dairy Situation, Economic Research Service USDA, March, 1967

U.S. milk output last year was revised to 120.2 billion pounds, down 3.2 percent from the revised 1965 estimate of 124.2 billion pounds. Production increased slightly in the Southeast, Southern Plains, and Pacific regions. It declined in all other regions, with declines amounting to 3 percent in the Northeast and 5 percent in the Lake, Cornbelt, and Northern Plain States. These regions include most of the major milk producing States. Declines in the Appalachian, Delta, and Mountain States were minor.

U.S. average production per cow

in 1966 rose 2.5 percent from a year earlier. This was the same rate of gain as in 1965, although well below the 3.4 percent average for the 10 years, 1957-66. For the first 5 months of 1966, output per cow showed little change, averaging less than 1 percent gain above the 1965 rate. For June-August output per cow was up over 3 percent, and for the last 4 months of the year was around 5 percent above a year earlier. The high rate of national gain in output per cow in September-December was largely due to very high increases from low rates of a year earlier in most West North Central States, California, and Wis-

consin. The large gains in these States likely can be traced to improvement in the quality of feed grains, and forage and to increases in the feeding rates for grain concentrates. In the winter season of 1965-66 the quality of feed grains and forage was below average and increases in the feeding rates of grains and concentrates were low in some States. This winter season higher milk prices than a year earlier and near record milk-feed price ratios have favored a high rate of grain and concentrates feeding. Output per cow likely will continue to gain sharply from a year earlier through May.

Wholesale Dairy Product Prices Above Year Earlier Levels

The Dairy Situation, Economic Research Service USDA, March, 1967

The wholesale dairy product price index rose in 1967 to a record 118.7 (1957-59 equal 100), up some 9 percent from 1965. In the first half of 1967, wholesale prices are expected to average above year earlier levels, because of the higher support purchase price for butter, American cheese, and nonfat dry milk. Last half prices may average near those of July-December 1966.

Except in seasonally low periods of production, supplies in excess of demand tend to keep wholesale dairy prices in line with support purchase prices for butter, nonfat dry milk,

and American cheese. In 1966 strong demand kept American cheese prices above the support purchase price throughout the year although production levels at the end of 1966 were around 25 percent above a year earlier. For the entire year, cheese prices (Cheddars at Wisconsin assembly points) averaged a record 45.9 cents per pound, up 20 percent from 1965 and 10 percent from the previous high in 1948.

Butter prices (Grade A at Chicago) dropped to the support purchase price of 66.5 cents on December 6, after hovering slightly higher since

mid-October. Prices dropped despite substantial October-December USDA purchases at the market price under Sec. 709 for school lunch purposes. These Sec. 709 purchases began on October 21, when the Chicago price of Grade A butter was 67.0 cents. Sec. 709 purchases were at market prices, 3/4-1 percent per pound above support purchase levels. However, as butter production mounted, the pressure of excess supplies tumbled prices to the support purchase prices on December 6; thereupon USDA discontinued Sec. 709 buying. Purchases since December 12 have been under the support program.

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First Quarter Milk Production Rising

The Dairy Situation, Economic Research Service,
USDA, March, 1967

U.S. milk production for January was 9.9 billion pounds—about one-half percent above a year earlier but about 4 percent below the 5-year average for the month. This is the second consecutive month that milk output has increased, after running below year-earlier levels from February 1965 to November 1966, 22 consecutive months. Higher prices and income from dairying indicate that milk output during the first half of 1967 will continue above year earlier low levels.

Most of the January recovery is accounted for by gains in Wisconsin, Minnesota, and California, though 15 states reported increased milk production.

The major factor in halting the milk production decline has been the above-average gains in output per cow from low rates of a year earlier. These started in September 1966. Output per cow in January was 715 pounds—up about 5 percent from a year earlier from the fifth month. Gains in output per cow exceeded 5 percent in 17 states, and were over 10 percent in Wisconsin, North Dakota, and Kansas. Only New Jersey, Alaska, and Hawaii did not report increases.

Market Quotations

MARCH
1967

| | |
|---|--------|
| MINNESOTA - WISCONSIN PRICE SERIES | \$4.01 |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) | 3.91 |
| Average Price per lb. 92-score butter at Chicago | .6646 |
| Average carlot prices non-fat dry milk solids | |
| roller and spray process, f.o.b. manufacturing plant | .1948 |

Military Use of Dairy Products Declines

The Dairy Situation, Economic Research Service USDA, March, 1967

In 1966, the military used about 2.7 billion pounds (milk equivalent) of dairy products, compared with an average 3.3 billion pounds during 1962-65. This decline was accounted for by the decline in USDA transfers and donations of butter to the military (from 32 million pounds in 1965 to about 4 million in 1966) because of low USDA stocks of dairy products. Although military market purchases of butter in 1966 were up from 1965, military use of butter and anhydrous

milkfat dropped from 60 million pounds in 1965 to 33 million pounds in 1966.

Use of other dairy products by the military generally increased in 1966. About 18 million pounds of cheese were used last year—up 2 million pounds from 1965. Use of evaporated milk totalled 63 million pounds in 1966—21 percent above 1965 and double that of 1964. The 19 million pounds of nonfat dry milk used last year more than doubled 1965's level.

COW NUMBERS DOWN . . . (Continued from Front Page)

Atlantic and Western regions, declines in milk cows have been relatively small since 1950 although the number of beef cows has risen sharply. In other areas large increases in beef cow numbers, together with declines in milk cow numbers, have lowered the ratio. Among the 50 states, Florida, Colorado, Nevada, and Arizona maintained cow numbers during

1966; all other States had fewer milk cows, with 24 states reporting a drop of more than 5 percent. The 1966 percentage decline in the number of milk cows and heifers 2 years old and older was less than in 1965 in all geographic regions, except the South Atlantic States. Declines ranged from 1.5 percent in the Western region to 6.0 percent in the South Central States.